

151 FERC ¶ 61,053
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Norman C. Bay, Chairman;
Philip D. Moeller, Cheryl A. LaFleur,
Tony Clark, and Colette D. Honorable.

Gas Transmission Northwest LLC

Docket No. RP11-2377-001

ORDER GRANTING PETITION

(Issued April 17, 2015)

1. On March 30, 2015, Gas Transmission Northwest LLC (GTN) filed a petition to amend a Stipulation and Agreement approved by the Commission on November 30, 2011,¹ to provide for a shortened suspension period to the upcoming section 4 rate case filing required by the Stipulation and Agreement. Also, for the upcoming rate case required by the Stipulation and Agreement, GTN requests waiver of section 154.303(a)(1) of the Commission's regulations to allow GTN to use a 12-month base period ending March 31, 2015, and a 9-month adjustment period ending December 31, 2015. For the reasons discussed below, the Commission grants the petition.

I. Background

2. The Stipulation and Agreement resolved GTN's last general rate case and contained a provision requiring GTN to file a new general rate case under section 4 of the Natural Gas Act (NGA) with new rates to be effective, assuming a five-month suspension period, on or before January 1, 2016.² GTN states that, with the 30-day notice period and the likelihood of a maximum five-month suspension period, the Stipulation and Agreement requires it to file a new rate case on or before June 30, 2015.

¹ *Gas Transmission Northwest LLC*, 137 FERC ¶ 61,163 (2011).

² Article V, Paragraph B.1 of the Stipulation and Agreement provides: "GTN shall file a general rate case pursuant to section 4 of the NGA such that the rates proposed therein will be effective January 1, 2016. The filing shall be made within sufficient time to accommodate the Settling parties' expectation that any filing to increase rates would be suspended for the maximum five (5) month suspension period."

3. GTN states that, in anticipation of this deadline, it sent notification to all shippers inviting them to participate in settlement discussions intended to achieve a non-litigated resolution. GTN states that it held numerous settlement meetings and has negotiated a settlement in principle with the active parties. However, GTN states that until that settlement is filed and the Commission issues an order approving that filing, GTN cannot be certain that it will not need to file a rate case.

The Petition

4. GTN requests that the Commission amend the Stipulation and Agreement to reduce to a minimum of two months the suspension period for a section 4 rate case filing submitted pursuant to the requirement of the Stipulation and Agreement. This petition will allow GTN to wait until September 30, 2015, to make the rate filing, while maintaining the January 1, 2016 effective date for new rates as provided by the Stipulation and Agreement. Meanwhile, GTN and the parties will have additional time to seek to finalize a pre-filing settlement. GTN states that shortening the suspension period as requested will not harm GTN's shippers, as each of them will remain protected by any applicable refund obligation effective January 1, 2016. GTN notes that the Commission has recently granted similar relief to another pipeline in order to accommodate pre-filing settlement discussions.³

5. Additionally, to the extent it must ultimately file a rate case, GTN seeks waiver of section 154.303(a)(1) of the Commission's regulations⁴ so that it may use a 12-month base period ending March 31, 2015, and a 9-month adjustment period ending December 31, 2015. GTN states that this base and adjustment period data are currently being used as the basis for settlement discussions. Should GTN file its rate case on September 30, 2015, as opposed to June 30, 2015, GTN contends that the proposed base period would no longer be in compliance with the Commission's regulations because the filing date would be more than four months after the close of its base period. Therefore, GTN requests a waiver of section 154.303(a)(1). GTN asserts that failure to grant this waiver would prejudice GTN and penalize it for its good faith efforts to settle. GTN states that the Commission recently granted a similar waiver.⁵

³ *Tennessee Gas Pipeline Co., LLC*, 150 FERC ¶ 61,166, at P 12 (2015).

⁴ 18 C.F.R. § 154.303(a)(1) (2014).

⁵ *Tennessee*, 150 FERC ¶ 61,166 at PP 1, 8-9.

II. Notice of Filing, Interventions and Protests

6. Public notice of GTN's filing was issued on April 2, 2015. Responses were due on or before April 6, 2015. Pursuant to Rule 214,⁶ all timely filed motions to intervene and any unopposed motion to intervene out-of-time filed before the issuance date of this order are granted. Granting late intervention at this stage of the proceeding will not disrupt this proceeding or place additional burdens on existing parties. No protests or adverse comments to the petition were filed.

III. Discussion

7. The Commission grants GTN's unopposed petition for good cause shown. Consistent with the Commission's goal of encouraging settlements, the shortened suspension period will permit the parties an opportunity to resolve issues concerning revised rates on GTN without litigation. Furthermore, the requirement in the Stipulation and Agreement that GTN file a new rate case will be substantially preserved and the goal of achieving a settlement of the issues will be encouraged through continued settlement negotiations. The effective date for the new rates of January 1, 2016, is the date set forth in the Stipulation and Agreement and the base and test period will be the same as those used in the settlement negotiations. The parties to a new rate case will not be deprived of the statutory notice period, the opportunity to intervene and protest, or having all relevant issues resolved in any suspension order or ensuing rate case. Shippers will remain protected by a refund obligation effective January 1, 2016.

8. The parties have either agreed to or not objected to GTN's petition, which will allow continuing negotiations in order to reach a settlement concerning GTN's rates. Moreover, the Commission recently granted similar a petition in order to accommodate pre-filing settlement discussions.⁷ Accordingly, the Commission finds that it is fair and reasonable and in the public interest to grant the petition and give the parties an opportunity to continue negotiations which could result in a settlement and avoid the need for GTN to file, and the parties to litigate, a new rate case.

⁶ 18 C.F.R. § 385.214 (2014).

⁷ *Tennessee*, 150 FERC ¶ 61,166 at PP 12-13.

The Commission orders:

GTN's petition is granted, as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.